



A 300% efficiency increase

How a 3PL provider in healthcare reinvented its supply chain with Dynamics 365 and Argano

Client: DCS (Direct Customer Solutions, formerly R&S Solutions)

Industry: Healthcare



Challenge

- Lack of automation in shipping processes
- Siloed data across legacy systems
- 3PL clients unable to quickly get insights



Solutions

- Microsoft Dynamics 365 Supply Chain Management
- Microsoft Dynamics 365 Finance
- Power Apps, Power Automate



Results

- Throughput increase of 300%
- Reduction in employee overtime
- Clients enjoy polished, automated BI reports



DCS (Direct Customer Solutions, formerly R&S Solutions) plays an integral part of the healthcare industry's supply chain, serving as a 3PL partner providing cost-effective logistic services to pharmaceutical companies and related healthcare businesses. Its services include traditional logistics to warehousing chains, wholesalers, and distributors or direct to retail, hospitals, and clinics.

The company's rebrand to DCS was timed to launch alongside its new facility, a 232,000 square foot "smart warehouse" with an automated storage and retrieval system that helps maximize 3PL efficiencies while also ensuring the highest accuracy in customer orders.

The services DCS provides can make the difference between a critical medication arriving on-time, or not at all. DCS has strict contracts with both the drug manufacturers and the customers to whom the manufacturers' products are distributed. Delays in delivery or inaccurate inventory information can result in serious fines or worse.

Where some supply chain management issues are primarily fueled by financial considerations and solutions are likewise geared to reducing costs, DCS's role in the

healthcare supply chain can easily be described as a matter of life and death.

Changing times, changing platforms

The company set its sights on increased automation in its existing facility, speedier and more accurate order processing, and improved inventory management, essentially setting the stage for its new automated warehouse.

The new warehouse is a combination of hardware and robotics with Dynamics 365, augmented by Argano IP and applications, essentially serving as the "brains" of the operation.

The company also set its sights on migrating data and processes from a legacy, on-premises warehouse management system developed for 3PL providers. But it was clear that DCS had outgrown this specialized solution and needing something more scalable, a solution that could handle the speed of its growing business and integrate with other systems and datasets.

Additional challenges included "de-siloing" information and workflows in separate financial and customer relationship management systems, improving the analytics and reporting that fuel supply chain efficiencies, and in empowering DCS customers with the ability to quickly access business-critical data from DCS systems and facilities.

"This ERP will last the life of this facility. It's cloud-based, so we'll always be updated... Argano worked side-by-side with our team during and after go-live to ensure success. Additionally, I can now get more from my team. Instead of deploying them for tech maintenance, I can re-task them to serve the broader needs of the business."

William Wells
VP, Information Technology
Direct Customer Solutions

DCS knew that before it made massive changes to its physical infrastructure, massive changes would be required in its technology infrastructure — and that the changes to both had to be 100% aligned in order for the smart warehouse to deliver on its promise.

DCS turned to Microsoft and Argano

to help it improve its current situation, to prepare for its new facility, to integrate its systems, improve inventory management, optimize order processing, and uncover all actionable data, and — in the end — deliver more value to its clients (the pharmaceutical and healthcare companies) and, in turn, their customers.

From pre-sales to post-live

The Argano methodology leans into the pre-sales process, and heavily, creating an easy-to-understand roadmap of any implementation, alongside achievable KPIs.

The DCS engagement began with a Strategic Insight Survey, which helped teams on both sides of the project better understand and align to overall business needs. From the survey, the Argano team was able to identify previous pitfalls and communication issues, and uncover fixes that would help ensure success for the project.

The solutions identified to solve DCS's challenges were Dynamics 365 Finance (as with its old warehouse management platform, DCS was using an older on-premise solution for finance and accounting), and Dynamics 365 Supply Chain Management. D365 Finance not only helped DCS optimize its own back-end accounting processes, but also extended throughout its network, as DCS does bookkeeping for certain clients.

But it was D365 SCM that solved DCS's most pressing pain points in inventory management and distribution, solving issues in existing shipping processes from pallet to small parcel.

The initial project focused on all outbound shipping: from partial truckloads to small parcels. Critical in the process was the ability to track from the container level to the bottle level (containerization, serialization). For 3PL companies outside healthcare, tracking

at the pallet level is often enough, but as DCS is a 3PL for pharmaceutical companies, tracking at each saleable unit level is critical for compliance with the Drug Supply Chain Security Act (DSCSA).

Additionally, the project included utilizing Power Apps portals so that DCS clients are able to quickly access data and reports (built with Power BI—also part of the project) that helps them better understand critical junctures in their own supply chains. This value-add was massive for DCS clients without advanced reporting capabilities.

DCS even offered reporting choices to clients: they could get raw data (spreadsheets generated by Power Automate—yet another part of the project), or polished BI dashboards. This data sharing—both how it was executed and how it was presented to clients—was a win-win: clients had the data they needed; DCS increased client satisfaction and engagement.

Finally, adoption of the overall solution in DCS was ensured by tapping the Change Management team at Argano, which created custom tools and training for different teams across DCS.

Increasing throughput by 300% in < 8 months, and a supply chain optimization "ripple effect," and almost entirely during Covid lockdown

Leveraging the strengths of Dynamics 365 in its technology infrastructure alongside its existing physical infrastructure, DCS was able to increase throughput in small parcel shipping by 300%.

In healthcare 3PL services tied to the shipping of medicines across the country to distributors, drugstores, and even end customers, a 300% increase in throughput is a win for all

involved. And this win occurred during the height of the global supply chain crisis. When other 3PL companies were slowing down or even shutting down, DCS was ramping up.

This successful implementation also took place during the global pandemic: a full seven months of the project were done during lock-down, with the Argano team collaborating from a distance, but still able to connect completely with the client's needs and meet the project's timelines. (The client later stated that the team's "remote 'collab' skills were critical.")

The wins extended throughout the enterprise, too, and included:

- Massive increase in order processing volumes: the new system enables DCS to go from processing around 150 orders per day to being able to process 75 or more per hour.
- Massive decrease in large order picking and processing: orders that used to take DCS two days or more to process are now being executed in as little as four hours.
- Reduction in overtime: where some companies only solve for supply chain management issues to run up the hours, DCS turned to Microsoft and Argano to create a solution that fixed its challenges while reducing the need for overtime.
- A Power Apps portal for DCS clients—pharmaceutical manufacturers and other healthcare companies—that provides them with Power BI reporting. The portals create a downstream effect in the overall supply chain as a feedback loop between DCS's clients, those clients' customers, and DCS itself was established.

And all of the above happened within about eight months of going live with their new solution.

A little CM goes a long way

In any implementation of this scope and with this level of critical importance on a human level, it's crucial that the client's team members embrace the new technology platform, and that's where Argano's change management team played a major role.

"Argano worked side-by-side with our team during and after go-live to ensure success," said William Wells, VP of Information Technology at DCS. Because Argano understands that a successful Dynamics implementation doesn't end after go-live: it's only truly successful when fully adopted across the entire client organization.

Argano's organizational change management delivered a

communication and training program designed to fuel adoption, and—as the massive increases in productivity show—got the job done, and completely.

The last ERP DCS will need...

"This ERP will last the life of this facility," said Wells. "It's cloud-based, so we'll always be updated, and with the overall solution [Dynamics 365 Finance, Dynamics 365 Supply Chain Management, Microsoft Power Platform], we're keeping the organization in a supported envelope. Additionally, I can now get more from my team. Instead of deploying them for tech maintenance, I can re-task them to serve the broader needs of the business."

DCS now has all it needs to run its automated warehouse, and ensure its overall house is in order, too.

To learn more contact us today at microsoft@argano.com.



About Argano

Argano, the world's first and leading designer of modern Digital Foundations™, empowers companies to reimagine their business operations by integrating, automating, and optimizing the way data, technologies and users interact. Fortune 100 to Global Fortune 2000 trust us for a faster, more reliable journey to their best digital future. Learn more at www.argano.com.